

**COUNTY OF SAN LUIS OBISPO BOARD OF SUPERVISORS
AGENDA ITEM TRANSMITTAL**

(1) DEPARTMENT Planning and Building	(2) MEETING DATE 1/28/2014	(3) CONTACT/PHONE Tony Navarro 781-5787	
(4) SUBJECT Hearing to consider amendments to the 2006, 2007, 2008, 2009, 2010, 2011, 2012 and 2013 Action Plans to clarify the name of the subrecipient of Community Development Block Grant (CDBG) and HOME Investment Partnership Act (HOME) funds, the uses of CDBG and HOME funds, and to reallocate \$622,277 in CDBG and \$764,431 in HOME funds for the acquisition of the 313 South Street Property for the development of affordable housing in the City of San Luis Obispo. All Districts.			
(5) RECOMMENDED ACTION It is recommended that the Board: Adopt the attached resolution to amend the 2006, 2007, 2008, 2009, 2010, 2011, 2012 and 2013 Action Plans as requested by the City of San Luis Obispo and the County to clarify the name of the subrecipient of CDBG and HOME funds, the uses of the CDBG and HOME funds, and to reallocate CDBG and HOME funds for the acquisition of the 313 South Street Property and for the development of affordable housing in the City of San Luis Obispo; and approves and authorizes submittal of the Urban County of San Luis Obispo Program Year 2006, 2007, 2008, 2009, 2010, 2011, 2012 and 2013 Action Plans to the U.S. Department of Housing and Urban Development.			
(6) FUNDING SOURCE(S) N/A	(7) CURRENT YEAR FINANCIAL IMPACT \$0.00	(8) ANNUAL FINANCIAL IMPACT \$0.00	(9) BUDGETED? Yes
(10) AGENDA PLACEMENT <input type="checkbox"/> Consent <input type="checkbox"/> Presentation <input checked="" type="checkbox"/> Hearing (Time Est. <u>5 min</u>) <input type="checkbox"/> Board Business (Time Est. <u> </u>)			
(11) EXECUTED DOCUMENTS <input checked="" type="checkbox"/> Resolutions <input type="checkbox"/> Contracts <input type="checkbox"/> Ordinances <input type="checkbox"/> N/A			
(12) OUTLINE AGREEMENT REQUISITION NUMBER (OAR) N/A		(13) BUDGET ADJUSTMENT REQUIRED? BAR ID Number: <input type="checkbox"/> 4/5 Vote Required <input checked="" type="checkbox"/> N/A	
(14) LOCATION MAP N/A	(15) BUSINESS IMPACT STATEMENT? No	(16) AGENDA ITEM HISTORY <input checked="" type="checkbox"/> N/A Date: <u> </u>	
(17) ADMINISTRATIVE OFFICE REVIEW Lisa M. Howe			
(18) SUPERVISOR DISTRICT(S) All Districts -			

County of San Luis Obispo



TO: Board of Supervisors

FROM: Planning and Building / Tony Navarro

VIA: Wes Drysdale, Administrative Services Manager, Operations Division

DATE: 1/28/2014

SUBJECT: Hearing to consider amendments to the 2006, 2007, 2008, 2009, 2010, 2011, 2012 and 2013 Action Plans to clarify the name of the subrecipient of Community Development Block Grant (CDBG) and HOME Investment Partnership Act (HOME) funds, the uses of CDBG and HOME funds, and to reallocate \$622,277 in CDBG and \$764,431 in HOME funds for the acquisition of the 313 South Street Property for the development of affordable housing in the City of San Luis Obispo. All District

RECOMMENDATION

It is recommended that the Board:

Adopt the attached resolution to amend the 2006, 2007, 2008, 2009, 2010, 2011, 2012 and 2013 Action Plans as requested by the City of San Luis Obispo and the County to clarify the name of the subrecipient of CDBG and HOME funds, the uses of the CDBG and HOME funds, and to reallocate CDBG and HOME funds for the acquisition of the 313 South Street Property and for the development of affordable housing in the City of San Luis Obispo; and approves and authorizes submittal of the Urban County of San Luis Obispo Program Year 2006, 2007, 2008, 2009, 2010, 2011, 2012 and 2013 Action Plans to the U.S. Department of Housing and Urban Development.

DISCUSSION

History

Both the City of San Luis Obispo and the County of San Luis Obispo request to clarify the subrecipient of Community Development Block Grant (CDBG) and Home Investment Partnership Act (HOME) funds for the acquisition of the 313 South Street property in the City of San Luis Obispo.

To support the proposed affordable housing project, the City of San Luis Obispo approved the project land use entitlements and awarded the project \$622,277 in CDBG funds via the 2011, 2012 and 2013 Action Plans, including multiple small reallocations of CDBG funds from prior year action plans. The project has received public assistance commitments from a variety of sources that include CDBG and HOME funds, but also the City's Affordable Housing Fund and development review and impact fee waivers for a combined total of committed funding of \$2,619,871. The Affordable Housing Funds provides a fund for the collection of in-lieu impact fees that are then used to help build affordable housing project citywide. The County allocated a total of \$764,431 in HOME funds for the project.

Reallocation of CDBG and HOME Funds - South Street Family Apartments, L.P.

In recent months, the Housing Authority of the City of San Luis Obispo's (HASLO) independent non-profit San Luis Obispo Nonprofit Housing Corporation (SLONHC), agreed to partner with ROEM Development Corporation (ROEM) to acquire and develop the property. This partnership, and funding from SLONHC, will help the proposed project compete for Low Income Housing Tax Credit (LIHTC) financing in early 2014. In November 2013, SLONHC and ROEM created a new legal nonprofit partnership entity, the South Street Family Apartments, L.P., to acquire the property with CDBG funds and to apply for LIHTC financing. The County's HOME funds are now proposed as part of the project's development financing.

The creation of the South Street Family Apartments, L.P., as the entity to acquire and develop the subject property, requires an amendment of the Urban County of San Luis Obispo's Action Plans. The amendment represents the reallocation of \$587,395 in CDBG and \$764,431 in HOME funds, a total of \$1,351,826, as previously approved to both the City of San Luis Obispo and ROEM to the South Street Family Apartments, L.P. Also, as indicated above, the CDBG funds are proposed for the acquisition while the HOME funds will help finance the development.

The City of San Luis Obispo also requests the reallocation of \$34,882 in 2009 CDBG funds from the completed "Santa Rosa Park ADA Improvements" project for the acquisition and development of the 313 South Street property. The City Council approved the reallocation of CDBG funds in February 2012 and now must be included as part of the amendment process.

#	Project	Reallocation of Funds
Amendment to the 2006 Action Plan		
1	Reallocate \$1,033 in CDBG funds from the "Property Acquisition to Develop Affordable Housing, 313 South Street – by the City of San Luis Obispo" to the "Property Acquisition and Development of 313 South Street in San Luis Obispo" by the South Street Family Apartments, L.P."	\$1,033
Total		\$1,033
Amendment to the 2007 Action Plan		
1	Reallocate \$5,172 in CDBG funds from the "Property Acquisition to Develop Affordable Housing, 313 South Street – by the City of San Luis Obispo" to the "Property Acquisition and Development of 313 South Street in San Luis Obispo" by the South Street Family Apartments, L.P."	\$5,172
Total		\$5,172
Amendment to the 2008 Action Plan		
1	Reallocate \$7,979 in CDBG funds from the "Property Acquisition to Develop Affordable Housing, 313 South Street – by ROEM Corporation" to the "Property Acquisition and Development of 313 South Street in San Luis Obispo" by the South Street Family Apartments, L.P."	\$7,979
Total		\$7,979
Amendment to the 2009 Action Plan		
1	Reallocate \$9,750 in CDBG funds from the "Property Acquisition at 313 South Street" to the "Property Acquisition and Development of 313 South Street in San Luis Obispo" by the South Street Family Apartments, L.P."	\$9,750
2	Reallocate \$34,882 in CDBG funds from the "Santa Rosa Park ADA Improvements" to "Property Acquisition and Development of 313 South Street in San Luis Obispo" by the South Street Family Apartments, L.P."	\$34,882
Total		\$44,632

Amendment to the 2010 Action Plan		
1	Reallocate \$18,381 in CDBG funds from the "Property Acquisition at 313 South Street" to the "Property Acquisition and Development of 313 South Street in San Luis Obispo" by the South Street Family Apartments, L.P."	\$18,381
2	Reallocate \$205,578 in CDBG funds from the "Acquisition of Affordable Housing, 313 South Street – the City of San Luis Obispo" to the "Property Acquisition and Development of 313 South Street in San Luis Obispo" by the South Street Family Apartments, L.P."	\$205,578
Total		\$223,959
Amendment to the 2011 Action Plan		
1	Reallocate \$133,216 in CDBG funds from the "Property Acquisition to Develop Affordable Housing, 313 South Street – the City of San Luis Obispo" to the "Property Acquisition and Development of 313 South Street in San Luis Obispo" by the South Street Family Apartments, L.P."	\$133,228
2	Reallocate \$264,431 in HOME funds from the "Property Acquisition to Develop Affordable Housing, 313 South Street – the City of San Luis Obispo" to the "Property Acquisition and Development of 313 South Street in San Luis Obispo" by the South Street Family Apartments, L.P."	\$264,431
Total		\$397,659
Amendment to the 2012 Action Plan		
1	Reallocate \$39,282 in CDBG funds from the "Property Acquisition to Develop Affordable Housing, 313 South Street – the City of San Luis Obispo" to the "Property Acquisition and Development of 313 South Street in San Luis Obispo" by the South Street Family Apartments, L.P."	\$39,282
2	Reallocate \$300,000 in HOME funds from the "Property Acquisition to Develop Affordable Housing, 313 South Street – the City of San Luis Obispo" to the "Property Acquisition and Development of 313 South Street in San Luis Obispo" by the South Street Family Apartments, L.P."	\$300,000
Total		\$339,282
Amendment to the 2013 Action Plan		
1	Reallocate \$166,992 in CDBG funds from the "ROEM Development, Property Acquisition, 313 South Street, San Luis Obispo" to the "Property Acquisition and Development of 313 South Street in San Luis Obispo" by the South Street Family Apartments, L.P."	\$166,992
2	Reallocate \$200,000 in HOME funds from the "ROEM Development, Property Acquisition, 313 South Street, San Luis Obispo" to the "Property Acquisition and Development of 313 South Street in San Luis Obispo" by the South Street Family Apartments, L.P."	\$200,000
Total		\$366,992

OTHER AGENCY INVOLVEMENT/IMPACT

County staff consulted with the City of San Luis Obispo, ROEM Development Corporation and the Housing Authority of the City of San Luis Obispo for the above reallocations of CDBG and HOME funds. County Counsel reviewed and approved the attached resolution as to form and legal effect.

FINANCIAL CONSIDERATIONS

The reallocation will be funded from previous allocated CDBG and HOME funds.

RESULTS

The reallocation of CDBG funds will further the efforts of the Communitywide Indicator of a Healthy Community as well as enable the Urban County of San Luis Obispo to meet its CDBG timeliness standard.

ATTACHMENTS

Attachment 1 – Resolution

Attachment 2 – Exhibit A to Resolution